

November 4, 2011

Montana Health Care Programs Notice

**Hospital Outpatient, Hospital Inpatient,
Freestanding Dialysis Clinic, Birthing Center, RHC,
Physician, Podiatry, Mid-Level Practitioner, IDTF,
Laboratory, Public Health Clinic, Psychiatry, ASC**

Meeting the Requirements of HIPAA 5010 When Reporting National Drug Codes on Electronic 837I and 837P Transactions

HIPAA 5010 Background Information

HIPAA 5010 (X12 version) is a new set of standards that regulate the electronic transmission of specific health care transactions, including eligibility, claim status, referrals, claims, and remittances.

Conversion to the HIPAA 5010 standards is required by Federal law. The compliance date for use of these standards is January 1, 2012. Montana Health Care Programs will accept transactions in the 5010-compliant format as of December 1, 2011; however, claims will be held until December 7, 2011, at which time they will be released for processing.

NDC Requirements

HIPAA 5010 standards require that only one National Drug Code (NDC) be reported per claim line on the 837I and 837P electronic transactions.

Effective for providers billing either the 837I or the 837P electronic transactions in the 5010 format (mandated as of January 1, 2012) Montana Health Care Programs will require that only **one** NDC may be reported per claim line.

If more than one NDC is reported per claim line, the entire claim and possibly the entire 5010 transaction will be rejected as invalid. Electronically, the NDC is reported in Loop 2400, Segment LIN, Data Element 03, on both the 837I and 837P.

Billing Requirements for Professional Claims

For providers billing the 837P transaction, if the procedure code has more than one NDC associated with it, two or more lines must be billed to accommodate the reporting of multiple NDCs.

When billing the same procedure code for the same date of service, the first line should include a KP modifier. Subsequent lines for the same procedure code should include a KQ modifier. Procedure code units reported on each line should reflect the units associated with the NDC reported on that line.

For example, if 90 procedure code units were given to a client by using two different sized vials, the first vial being equal to 50 units and the second vial being equal to 40 units, the first line would be recorded using the associated NDC with the procedure code, KP modifier, and 50 units; the second line would be recorded using the associated NDC with the procedure code, KQ modifier and 40 units.

Providers billing paper professional claims will also need to use the KP and KQ modifiers when billing for a procedure code that includes more than one NDC. The NDC attachment form will no longer be accepted after December 31, 2011.

Billing Requirements for Institutional Claims

For providers billing the 837I transaction, if the procedure code has more than one NDC associated with it, two or more lines using the appropriate revenue code must be billed to accommodate the reporting of multiple NDCs. If appropriate, HCPCS/CPT codes should also be included. Procedure code units reported on each line should reflect the units associated with the NDC reported on that line.

For example, if 90 procedure code units were given to a client by using two different sized vials, the first vial being equal to 50 units and the second vial being equal to 40 units, the first line would be recorded using the associated NDC with the procedure code and 50 units; the second line would be recorded using the associated NDC with the procedure code and 40 units.

The KP and KQ modifiers are not needed for institutional claims.

Contact Information

For claims questions or additional information, contact the following resources:

Provider Relations

1-800-624-3958 Toll-free in/out-of-state
(406) 442-1837 Helena
(406) 443-4402 Fax
E-mail: MTPRHelpdesk@ACS-inc.com

Visit the Provider Information website:
<http://medicaidprovider.hhs.mt.gov>

Address written inquiries to:
Provider Relations
P.O. Box 4936
Helena, MT 59604

EDI Technical Help Desk

1-800-987-6719 Toll-free in/out-of-state
(406) 442-1837 Helena
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P.O. Box 4936
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